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CENTRAL DIST. OF CALIF.
LOS ANGELES

BY: _____

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

UNITED STATES OF AMERICA,) CR No. 15-
Plaintiff,) I N F O R M A T I O N
v.) [18 U.S.C. § 371: Conspiracy]
NOBERTO MARTINEZ,)
Defendant.)

The Acting United States Attorney charges:

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Information:

1. The Boeing Company ("Boeing") was a Delaware corporation with its headquarters and principal place of business in Seattle, Washington. Boeing's business included the research, development, manufacture, and sale of satellites. Boeing had direct contracts to sell satellites, satellite parts, and other products to United States government agencies, including the Department of Defense, United States Air Force,

1 National Aeronautical Space Administration, and United States
2 National Reconnaissance Office. Boeing Space and Intelligence
3 Systems, Inc. ("BSIS") was a subsidiary of Boeing headquartered
4 in Seal Beach, California, within the Central District of
5 California.

6 2. BSIS employed Mark Allen ("Allen") as a procurement
7 agent located in El Segundo, California, within the Central
8 District of California. Allen procured items and services from
9 subcontractors used by BSIS on its United States government and
10 other contracts. The process that Allen was supposed to employ
11 to find subcontractors was a competitive bidding process in
12 which Allen sent requests for bids to various subcontractors;
13 subcontractors submitted bids for items and services to Allen;
14 and Allen was supposed to award purchase orders to the
15 subcontractors with the best bids.

16 3. Raymond Joseph ("Joseph") was an independent outside
17 sales representative for numerous subcontractors that did
18 business with BSIS and other United States government
19 contractors, including Zenitram Engineering and Manufacturing,
20 Inc. ("Zenitram").

21 4. Zenitram was a California corporation located in
22 Torrance, California, within the Central District of California.
23 Zenitram worked as a subcontractor for BSIS and supplied items
24 required for contracts that BSIS had with various United States
25 government agencies and commercial entities.

1 5. Defendant NOBERTO MARTINEZ ("defendant MARTINEZ")
2 owned and controlled Zenitram and was responsible for its day-
3 to-day operations.

4 B. OBJECTS OF THE CONSPIRACY

5 6. Beginning in or about 2009 and continuing through in
6 or about February 2011, in Los Angeles County, within the
7 Central District of California, and elsewhere, defendant
8 MARTINEZ, Joseph, Allen, and others known and unknown to the
9 Acting United States Attorney, knowingly combined, conspired,
10 and agreed to commit the following offenses against the United
11 States:

12 a. To offer kickbacks, in violation of Title 41,
13 United States Code, Sections 8702 and 8707; and

14 b. To defraud the United States by impeding,
15 impairing, obstructing, and defeating the lawful government
16 functions of a government agency, namely, the Internal Revenue
17 Service ("IRS"), by deceitful and dishonest means.

18 C. THE MANNER AND MEANS OF THE CONSPIRACY

19 7. The objects of the conspiracy were to be carried out,
20 and were actually carried out, in substance, as follows:

21 a. Starting in or about 2009, Allen agreed to award
22 BSIS purchase orders relating to Boeing's government contracts
23 to subcontractors represented by Joseph, including Zenitram, who
24 agreed to pay him kickbacks through Joseph.

25 b. Allen assisted Zenitram in obtaining BSIS
26 purchase orders by providing defendant MARTINEZ with
27 confidential information that gave Zenitram an improper
28

1 advantage in bidding on purchase orders.

2 c. Defendant MARTINEZ and Joseph submitted quotes on
3 behalf of Zenitram to BSIS to produce and deliver specific
4 products.

5 d. Allen awarded BSIS purchase orders to Zenitram.

6 e. Zenitram delivered the products to BSIS.

7 f. Defendant MARTINEZ sent invoices on behalf of
8 Zenitram to BSIS in order to get paid for work under the
9 purchase orders.

10 g. Defendant MARTINEZ paid a commission to Joseph,
11 which was approximately 13% of the money paid by BSIS on each
12 purchase order, and a kickback to Allen, which he paid through
13 Joseph.

14 h. Defendant MARTINEZ concealed the kickbacks to
15 Allen by writing two checks to Joseph, who deposited the checks
16 in his bank account and then withdrew cash to pay kickbacks to
17 Allen.

18 i. Defendant MARTINEZ did not disclose to BSIS that
19 he was paying kickbacks to Allen through Joseph in exchange for
20 BSIS purchase orders, and that Allen was giving him confidential
21 information that gave Zenitram an improper advantage in bidding
22 on those purchase orders.

23 j. At the direction of Joseph, defendant MARTINEZ
24 had Zenitram issue IRS Forms 1099 to Joseph for less than the
25 amounts Zenitram had paid him, and issue checks and IRS Forms
26 1099 in the names of Joseph's relatives, even though they had
27 not performed any services for Zenitram.

1 k. With defendant MARTINEZ's knowledge, Joseph used
2 the false IRS Forms 1099 as the basis for his filed 2010 federal
3 income tax return, which understated his taxable income.

4 l. As a direct and intended result of the
5 conspiracy, Zenitram received approximately \$328,000 in BSIS
6 purchase orders, and defendant MARTINEZ paid approximately
7 \$39,000 to Joseph and approximately \$6,000 to Allen.

8 m. The loss to the United States resulting from
9 defendant MARTINEZ's impeding, impairing, obstructing, and
10 defeating the lawful functions of the IRS with respect to
11 Joseph's false 2010 tax return was approximately \$4,000.

12 D. OVERT ACTS

13 8. In furtherance of the conspiracy, and to accomplish
14 its objects, defendant MARTINEZ, Joseph, and Allen, together
15 with others known and unknown to the Acting United States
16 Attorney, committed and willfully caused others to commit the
17 following overt acts, among others, in the Central District of
18 California and elsewhere:

19 Overt Act No. 1: In or about September 2009, defendant
20 MARTINEZ obtained AS9100 quality certification for Zenitram in
21 order to become a registered BSIS supplier.

22 Overt Act No. 2: On or about May 12, 2010, for its
23 work done on Boeing Purchase Order NNB8-928394, which was
24 related to one of Boeing's contracts with the United States
25 government, defendant MARTINEZ had Zenitram issue an invoice for
26 payment to Boeing for approximately \$5,815.

1 Overt Act No. 3: On or about July 2, 2010, defendant
2 MARTINEZ issued two checks from Zenitram's bank account to
3 Joseph in the amount of \$2,479 and \$1,377.

4 Overt Act No. 4: On or about July 13, 2010, for its
5 work done on Boeing Purchase Order NNB8-930090, which was
6 related to one of Boeing's contracts with the United States
7 government, defendant MARTINEZ had Zenitram issue an invoice for
8 payment to Boeing for approximately \$4,703.

9 Overt Act No. 5: On or about October 28, 2010, for
10 product delivered to BSIS under Purchase Order NNB8-930138,
11 which was related to one of Boeing's contracts with the United
12 States government, defendant MARTINEZ had Zenitram issue an
13 invoice for payment to Boeing for approximately \$22,275.

14 Overt Act No. 6: On or about November 22, 2010,
15 defendant MARTINEZ issued two checks from Zenitram's bank
16 account to Joseph in the amount of \$3,214 and \$1,786.

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1 Overt Act No. 7: In or about 2011, defendant MARTINEZ
2 had Zenitram issue IRS Form 1099 representing that it had paid
3 Joseph \$22,000 in 2010, even though it had paid him
4 approximately \$38,947 that year.

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